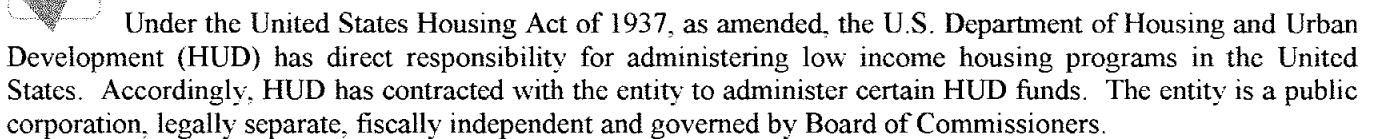


**HOUSING AUTHORITY
OF THE
CITY OF COVINGTON, LOUISIANA**

**Financial Statements &
Supplemental Financial Information**

March 31, 2014



**Housing Authority of the City of Covington
Covington, Louisiana**

**Table of Contents
March 31, 2014**

	<u>Page No.</u>
Independent Auditor's Report.....	1-3
Management's Discussion & Analysis.....	4-8
<u>Basic Financial Statements</u>	
Statement of Net Position.....	10
Statement of Revenues, Expenses, & Changes In Net Position	11
Statement of Cash Flows.....	12-13
Notes to the Basic Financial Statements.....	14-23
<u>Other Supplemental Schedules</u>	
Schedule of Compensation Paid to Commissioners.....	25
Statement and Certification of Actual Modernization Cost.....	26
<u>Other Reports</u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28-29
Independent Auditor's Report On Compliance For Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.....	30-31
Schedule of Expenditures of Federal Awards.....	32
Notes to Schedule of Expenditures of Federal Awards.....	33
Schedule of Findings and Questioned Cost.....	34-35
Management's Summary of Prior Year Findings.....	36
Management Letter Comments.....	37
Financial Data Schedule.....	38

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A.
davidvercher@ymail.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Housing Authority of the
City of Covington
Covington, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Covington, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discreetly presented component unit Audrey Heights Development Limited Partnership, which represents 84 percent, 76 percent, and 18 percent, respectively; of the assets, net position and revenues of the business type activities and discreetly presented component unit of the Housing Authority of the City of Covington, La. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit Audrey Heights Development Limited Partnership, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the Housing Authority of the City of Covington, as of March 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Covington's basic financial statements. The accompanying Financial Data Schedule, required by HUD, and supplementary schedules and statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The Financial Data Schedule, supplementary schedules and statements, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule, supplementary schedules and statements, and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2014, on our consideration of the Housing Authority of the City of Covington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Covington's internal control over financial reporting and compliance.

The Vercher Group

July 24, 2014

Jena, Louisiana

**Housing Authority of the City of Covington
Management's Discussion and Analysis
March 31, 2014**

As management of the Housing Authority of the City of Covington, we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2014. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements, which are attached.

Financial Highlights

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$1,349,495 (net position).

As of the close of the current fiscal year, the Authority's ending unrestricted net position were \$51,687.

The Authority had unrestricted cash and investments totaling \$91,039 at March 31, 2014, and \$20,591 in restricted cash.

The Authority had total operating revenue of \$1,113,875, and total non-operating revenue of \$65,482.

The Authority had total operating expenses of \$475,425, and total non-operating expenses of \$837,532.

The Authority did not have any capital contributions for the year.

The Authority had a total change in net position of \$133,600 for the year.

Overview of the Basic Financial Statements

The discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of the Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, Statement of Cash Flows, and the notes to the basic financial statements. This report also contains the schedule of expenditures of federal award as supplementary information in addition to the basic financial statements themselves.

The Authority has only one fund type, namely a proprietary fund. The Statement of Net Position includes all of the Authority's assets and liabilities. This fund type is unused for activities which are financed and operated in a manner similar to those in the private sector.

Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2014

Low Rent Public Housing

Under the Conventional Public Housing Program, the Housing Authority rents units it owns to low-income families. The Conventional Public Housing Program is operated under an Annual Contribution

Contract (ACC) with HUD, and HUD provides an Operating Subsidy to enable the Authority to provide housing at a rent that is based upon 30% of adjusted gross household income.

Section 8 Housing Assistance – Housing Choice Voucher Program

These Programs assist low-income families in affording decent, safe and sanitary housing by encouraging property owners to construct new, or rehabilitate existing substandard housing, and then lease the units with rental subsidies to low income individuals and families. The Authority's overall financial position and operations for the year is summarized below based on the information in the current and prior year financial statements.

The table below lists the asset and liability comparisons for the year ended March 31, 2014.

Statement of Net Position

	2013	2014	% Change
Current Assets	\$ 127,901	\$ 106,846	-16.5
Restricted Assets	17,306	20,591	19.0
Capital Assets Net of Depreciation	1,397,812	1,290,126	-7.7
Total Assets	1,543,019	1,417,563	-8.1
Current Liabilities	38,045	41,615	9.4
Non-Current Liabilities	21,879	26,453	20.9
Total Liabilities	59,924	68,068	13.6
Invested in Capital Assets, Net	1,397,812	1,290,126	-7.7
Restricted Assets	4,747	7,682	61.8
Unrestricted Assets	80,536	51,687	-35.8
Total Net Position	\$ 1,483,095	\$ 1,349,495	-9.0

- Total assets decreased by \$125,456 or 8.1% from last year. The primary reason for this decrease is due to a decrease in cash investments in the amount of \$21,028 and a decrease in net capital assets in the amount of \$107,686.
- Total liabilities increased by \$8,144 or 13.6%. The primary reason for this change is due to an increase in accounts payable to PHA projects in the amount of \$3,499 and accrued wage/payroll taxes payable in the amount of \$9,885.

Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2014

The table below lists the revenue and expense comparisons for the year ended March 31, 2014.

Statement of Revenues, Expenses, & Changes in Net Position

	<u>2013</u>	<u>2014</u>	<u>% Change</u>
Operating Revenues			
Tenant Revenue	\$ 121,164	\$ 126,170	4.1
HUD PHA Operating	782,197	987,705	26.3
Total Operating Revenues	<u>903,361</u>	<u>1,113,875</u>	23.3
Operating Expenses			
Administrative	191,066	181,629	-4.9
Tenant Services	1,460	2,408	64.9
Utilities	7,452	8,257	10.8
Maintenance	84,267	94,989	12.7
Protective Services	16,679	16,147	-3.2
General	47,245	47,643	0.8
Depreciation	121,825	124,352	2.1
Total Operating Expenses	<u>469,994</u>	<u>475,425</u>	1.2
Operating Income (Loss)	<u>433,367</u>	<u>638,450</u>	47.3
Non-Operating Revenues (Expenses)			
Investment Income	97	99	2.1
Other Revenue	57,201	65,383	14.3
Housing Assistance Payments	(859,376)	(837,532)	-2.5
Total Non-Operating Revenues (Expenses)	<u>(802,078)</u>	<u>(772,050)</u>	-3.7
Capital Contributions	<u>33,034</u>	<u>-0-</u>	-100.0
Change in Net Position	(335,677)	(133,600)	-60.2
Prior Period Adjustment	(26,800)	-0-	100.0
Total Net Position - Beginning	1,845,572	1,486,095	-19.5
Total Net Position - Ending	\$ <u>1,483,095</u>	\$ <u>1,349,495</u>	-9.0

Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2014

- Operating revenues increased by \$210,514 or 23.3%. The primary reason for this increase is because of an increase in HUD PHA operating grants in the amount of \$ 205,508.
- Total operating expenses increased by \$5,431 or 1.2%. The primary reason for this increase is due to an increase in maintenance expense in the amount of \$10,722.
- Non-operating revenue and expenses decreased by \$30,028 or 3.7%. The primary reason for this decrease is because of a decrease in housing assistance payments in the amount of \$21,844.
- Capital contributions decreased by \$33,034 or 100%.

Capital Asset & Debt Administration

Capital Assets

As of March 31, 2014, the Authority's investment in capital assets was \$1,290,126 (net of accumulated depreciation). This investment included land, building, building improvements, office equipment, and maintenance equipment.

Capital Assets at Year-End

	2013	2014
Land *	\$ 202,304	\$ 202,304
Buildings	2,887,050	2,897,567
Furniture & Equipment	334,238	340,386
Accumulated Depreciation	(2,025,779)	(2,150,131)
Total	\$ 1,397,813	\$ 1,290,126

* Land in the amount of \$202,304 is not being depreciated.

Long Term Debt

The Authority does not have any long-term liabilities at this time.

**Housing Authority of the City of Covington
Management's Discussion and Analysis - Continued
March 31, 2014**

Future Events that will impact the Authority

The Authority relies heavily upon HUD operating subsidies. The amount appropriated has not currently been approved for the 2015 fiscal year. Therefore, any results of budget shortfalls cannot be determined.

The Authority is under a contract through its Capital Fund Program to continue with the work as stated above and incorporate any new work items into its operation.

Component Units

Separate audited financial statements have been issued for the Authority's discreetly present component unit Audrey Heights Development Limited partner and can be presented component unit, Audrey Heights Development Limited Partnership, and can be reviewed by contacting the Housing Authority's Management.

Contacting the Authority's Financial Management:

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional information, contact Tammie Groover, Executive Director of the Housing Authority of the City of Covington, P.O. Box 1293, Covington, LA 70434, at (985)-898-0345.

Basic Financial Statements

Housing Authority of the City of Covington
Covington, Louisiana
Statement of Net Position
March 31, 2014

	Primary Government	As of 12/31/2013 Discretely Presented Component Unit	Total
ASSETS			
CURRENT ASSETS			
Cash & Investments	\$ 91,039	\$ 196,935	\$ 287,974
Receivables (Net of Allowances for Uncollectibles)	7,274	6,115	13,389
Prepaid Items	7,442	8,497	15,939
Inventories	1,091	-0-	1,091
TOTAL CURRENT ASSETS	<u>106,846</u>	<u>211,547</u>	<u>318,393</u>
RESTRICTED ASSETS			
Other Restricted Cash	7,682	-0-	7,682
Tenant Security Deposits	12,909	7,572	20,481
TOTAL RESTRICTED ASSETS	<u>20,591</u>	<u>7,572</u>	<u>28,163</u>
NON-CURRENT ASSETS			
Other Assets	-0-	89,103	89,103
Capital Assets (Net of Accumulated Depreciation)	1,290,126	7,380,844	8,670,970
TOTAL NON-CURRENT ASSETS	<u>1,290,126</u>	<u>7,469,947</u>	<u>8,760,073</u>
TOTAL ASSETS	<u><u>1,417,563</u></u>	<u><u>7,689,066</u></u>	<u><u>9,106,629</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	7,063	2,850	9,913
Accrued Wage/Payroll Taxes Payable	15,532	-0-	15,532
Accrued Interest Payable	-0-	4,770	4,770
Compensated Absences	1,850	-0-	1,850
Accrued Liabilities – Other	627	-0-	627
Prepaid Rent	135	1,461	1,596
Debt – Current Portion	-0-	14,979	14,979
Accounts Payable PHA Projects	3,499	-0-	3,499
Tenant Security Deposits (Payable from Restricted Assets)	12,909	7,572	20,481
TOTAL CURRENT LIABILITIES	<u>41,615</u>	<u>31,632</u>	<u>73,247</u>
NON-CURRENT LIABILITIES			
Compensated Absences	26,453	-0-	26,453
Long-Term Debt – Capital Projects	-0-	1,190,413	1,190,413
Other Noncurrent Debt	-0-	2,020,074	2,020,074
TOTAL NON-CURRENT LIABILITIES	<u>26,453</u>	<u>3,210,487</u>	<u>3,236,940</u>
TOTAL LIABILITIES	<u>68,068</u>	<u>3,242,119</u>	<u>3,310,187</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	1,290,126	6,175,452	7,465,578
Restricted	7,682	-0-	7,682
Unrestricted	51,687	(1,728,505)	(1,676,818)
TOTAL NET POSITION	<u><u>\$ 1,349,495</u></u>	<u><u>\$ 4,446,947</u></u>	<u><u>\$ 5,796,442</u></u>

The accompanying notes are an integral part of this statement.

Housing Authority of the City of Covington
Covington, Louisiana
Statement of Revenues, Expenses, & Changes in Net Position
For The Year Ended March 31, 2014

	Primary Government	Year ended 12/31/2013 Discretely Presented Component Unit	Total
OPERATING REVENUES			
Tenant Revenue	\$ 122,609	\$ 252,411	\$ 375,020
Other Tenant Revenue	3,561	12,972	16,533
HUD PHA Operating Grant	987,705	-0-	987,705
TOTAL OPERATING REVENUES	<u>1,113,875</u>	<u>265,383</u>	<u>1,379,258</u>
OPERATING EXPENSES			
Administrative Salaries	61,810	29,834	91,644
EBC Administrative	25,446	7,916	33,362
Other Operating - Administrative	94,373	54,531	148,904
Tenant Services	2,408	-0-	2,408
Water	677	1,000	1,677
Electricity	6,474	4,794	11,268
Gas	1,106	-0-	1,106
Other Utilities	-0-	464	464
Materials	29,267	5,762	35,029
Contract Cost	65,722	53,951	119,673
Protective Services	15,000	-0-	15,000
EBC Protective Services	1,147	-0-	1,147
Insurance	36,060	35,095	71,155
Other General Expense	11,583	9,285	20,868
Interest Expense	-0-	120,966	120,966
Depreciation	124,352	206,586	330,938
TOTAL OPERATING EXPENSES	<u>475,425</u>	<u>530,184</u>	<u>1,005,609</u>
OPERATING INCOME (LOSS)	<u>638,450</u>	<u>(264,801)</u>	<u>373,649</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Unrestricted)	99	240	339
Other Revenue	65,383	-0-	65,383
Housing Assistance Payments	(837,532)	-0-	(837,532)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(772,050)</u>	<u>240</u>	<u>(771,810)</u>
Capital Contributions	-0-	-0-	-0-
CHANGE IN NET POSITION	(133,600)	(264,561)	(398,161)
PRIOR PERIOD ADJUSTMENT	-0-	4,711,508	4,711,508
TOTAL NET POSITION - BEGINNING	1,483,095	-0-	1,483,095
TOTAL NET POSITION - ENDING	<u>\$ 1,349,495</u>	<u>\$ 4,446,947</u>	<u>\$ 5,796,442</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Cash Flows
For The Year Ended March 31, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts From Customers & Users	\$ 126,800
Receipts From HUD	984,439
Payments to Employees	(90,038)
Payments to Suppliers and Others	(250,229)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>770,972</u>

CASH FLOWS FROM NONCAPITAL ACTIVITIES

Other Revenue	65,383
Housing Assistance Payments	(837,532)
NET CASH PROVIDED (USED) BY NONCAPITAL ACTIVITIES	<u>(772,149)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grants	-0-
Acquisition & Construction of Capital Assets	(16,665)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(16,665)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest & Dividends Received	99
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>99</u>

NET INCREASE (DECREASE) IN CASH	(17,743)
--	----------

CASH, BEGINNING OF YEAR	<u>129,373</u>
CASH, END OF YEAR	<u>111,630</u>

RECONCILIATION TO BALANCE SHEET

Cash and Cash Equivalents	91,039
Tenant Security Deposits	12,909
Other Restricted Cash	7,682
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 111,630</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the City of Covington
Covington, Louisiana
Statement of Cash Flows
Reconciliation
For The Year Ended March 31, 2014**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ 638,450
Depreciation Expense	124,352
(Increase) Decrease in Accounts Receivable	1,432
(Increase) Decrease in Accounts Receivable HUD	(3,217)
(Increase) Decrease in Accounts Receivable PHA Projects	1,701
(Increase) Decrease in Inventories	274
(Increase) Decrease in Prepaid Items	(164)
Increase (Decrease) in Accounts Payable	(6,169)
Increase (Decrease) in Accounts Payable HUD	(49)
Increase (Decrease) in Accounts Payable PHA Projects	3,499
Increase (Decrease) in Accrued Wages/Payroll Taxes Payable	9,885
Increase (Decrease) in Compensated Absences	3,480
Increase (Decrease) in Tenant Security Deposits	350
Increase (Decrease) in Accrued Liabilities-Other	1
Increase (Decrease) in Unearned Revenue	(2,853)
TOTAL ADJUSTMENTS	<u>132,522</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 770,972</u>

LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES

Contributions of Capital Assets From Government	<u>\$ -0-</u>
---	---------------

The accompanying notes are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
March 31, 2014**

INTRODUCTION

The Housing Authority of the City of Covington is an apartment complex for persons of low income located in Covington, Louisiana. The authority is chartered as a public corporation for the purpose of administering decent, safe and sanitary dwelling for persons of low-income.

Legal title to the authority is held by the Housing Authority of the City of Covington, Louisiana, a non-profit corporation. The authority is engaged in the acquisition, modernization, and administration of low-rent housing. The authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of Covington, Louisiana. Each member serves a five-year term. Substantially all of the authority's revenue is derived from subsidy contracts with the U. S. Department of Housing and Urban Development (HUD). The annual contributions contracts entered into by the authority and HUD provide operating subsidies for authority-owned public housing facilities for eligible individuals.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the housing authority is legally separated and fiscally independent, the housing authority is a separate governmental reporting entity. The housing authority includes all funds, activities, etc., that are within the oversight responsibility of the housing authority.

The housing authority is a related organization of the City of Covington because the City of Covington appoints a voting majority of the housing authority's governing board. The City of Covington is not financially responsible for the housing authority, as it cannot impose its will on the housing authority and there is no possibility for the housing authority to provide financial benefit to, or impose financial burdens on, the City of Covington. Accordingly, the housing authority is not a component unit of the financial reporting entity of the City of Covington.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2014**

The GASB has set forth criteria to be considered in determining financial accountability, which includes:

- 1.) Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2.) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3.) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that the following component units should be considered as part of the Housing Authority reporting entity.

Audrey Heights Development Limited Partnership is a legally separate entity. The Managing General Partner of the Partnership is Covington Community Corporation, Inc, a not-for-profit corporation. The Board of Directors of Covington Community Corporation, Inc. consists entirely of the Board of Commissioners of the Housing Authority, which provides the Housing Authority with a voting majority of the governing body of the Partnership. In addition, there is the potential for the Partnership to impose financial burden on the Housing Authority. Based on the above, the Partnership and Covington Community Corporation, Inc. are considered to be component units. Copies of the audit reports for these component units may be obtained from the Housing Authority.

The governing body of the Housing Authority is considered to have complete control over Covington Community Corporation, Inc, but not complete control over the Partnership. As a result, Covington Community Corporation, Inc. is included in the Housing Authority's financial statements as a blended entity, and the Partnership is included in the Housing Authority's financial statements through discrete presentation. The financial position and changes in net position of the Partnership is presented as of and for the year ended December 31, 2013. Separate financial statements of the Partnership were issued for calendar year ended December 31, 2013.

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. BASIC FINANCIAL STATEMENTS

The basic financial statements (i.e., the statement of Net Position and the Statement of Changes in Net Position) report information on all of the activities of the primary government and its component units. For the most part, the effect of the Inter-fund activity has been removed from these statements. The housing authority uses enterprise funds to account for its activities.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2014**

Impact of Recently Issued Accounting Principles

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 62 does not have any impact on the Authority's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the Authority's financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The housing authority reports the following major proprietary funds:

The Enterprise Fund is the housing authority's primary operating fund. It accounts for all financial resources of the housing authority.

As a general rule, the effect of Inter-fund activity has been eliminated from the basic financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2014**

Operating revenues and expenses have been reported separately from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The primary operating revenue of the housing authority is derived from tenant revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the housing authority's policy to use restricted resources first, then unrestricted resources as they are needed.

C. DEPOSITS & INVESTMENTS

The housing authority's cash is considered to be cash on hand and demand deposits. State law and the housing authority's investment policy allow the housing authority to invest in collateralized certificated of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

The housing authority had no investments as of March 31, 2014.

D. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year referred to as either "due to/from other funds" (i.e., the current portion of Inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of Inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the accompanying financial statements, are offset by a restriction on net position. All trade and other receivables are shown net of an allowance for uncollectibles.

E. INVENTORIES & PREPAID ITEMS

All inventories are valued at cost using the first-in/first out method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2014**

F. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable columns in the basic financial statements. Capital assets are capitalized at historical cost. The housing maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings	20 years
Building improvements	10 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment	5 years

G. COMPENSATED ABSENCES

The housing authority has the following policy relating to vacation and sick leave:

The authority follows the civil service guidelines for vacation and sick leave. Employee's time is accumulated in accordance to hours worked per month. At year-end, time not used is accumulated.

At March 31, 2014, employees of the PHA have accumulated and vested \$41,983 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at March 31, 2014, was \$15,532 recorded as current obligation and \$26,453 recorded as non-current obligation.

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Beginning of year	\$ 2,944	\$ 21,879	\$ 24,823
Additions	12,588	4,574	17,162
Deletions	-0-	-0-	-0-
End of year	\$ 15,532	\$ 26,453	\$ 41,985

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2014**

H. LONG-TERM OBLIGATIONS

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At March 31, 2014, the housing authority had cash (bank balances) totaling \$113,264 as follows:

JP Morgan Chase	\$ 113,264
Total	<u>\$ 113,264</u>

These deposits are stated at cost, which approximated market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposits

It is the housing authority's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The housing authority's deposits are categorized to give an indication of the level of risk assumed by the housing authority at year end. The categories are described as follows:

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2014**

- **Category 1** – Insured or collateralized with securities held by the housing authority or by its agent in the housing authority’s name.
- **Category 2** – Collateralized with securities held by the pledging financial institution’s trust department or agent in the housing authority’s name.
- **Category 3** – Uncollateralized.

Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Market Value</u>
FDIC (Category 1)	\$ 113,264
Securities (Category 2)	-0-
Uncollateralized (Category 3)	-0-
Total	\$ 113,264

All deposits were fully secured at March 31, 2014.

The following represents Restricted Cash:

Other Restricted Cash	\$ 7,682
Tenant Security Deposits	12,909
Total Restricted Cash	\$ 20,591

Other Restricted Cash represents funds designated to be paid to lessors and or tenants in Section 8 Program or Disaster Housing Assistance Program (DHAP).

3. RECEIVABLES

The receivables (net of allowance for doubtful accounts) were \$7,274 as of March 31, 2014. The receivables are as follows:

A/R HUD	\$ 4,497
A/R PHA Projects	1,126
Other Receivables	1,651
Allowance	-0-
Total	\$ 7,274

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2014**

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended March 31, 2014, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land *	\$ 202,304	\$ -0-	\$ -0-	\$ 202,304
Buildings	2,887,050	10,517	-0-	2,897,567
Furniture & Equipment, Etc.	334,238	6,148	-0-	340,386
Total	<u>3,423,592</u>	<u>16,665</u>	<u>-0-</u>	<u>3,440,257</u>
Less Accumulated Depreciation	(2,025,779)	(124,352)	-0-	(2,150,131)
Net Capital Assets	<u>\$ 1,397,813</u>	<u>\$ (107,687)</u>	<u>\$ -0-</u>	<u>\$ 1,290,126</u>

* Land in the amount of \$202,304 is not being depreciated.

5. RETIREMENT PLANS

On June 23, 2004, the Board of Commissioners of the housing authority, by resolution, approved the establishment of a retirement plan, the Housing Renewal and Local Agency Retirement Plan (the plan), under Code Section 401(a) effective July 1, 2004. The plan is for the benefit of all regular (forty hours a week) full time employees. The rate of employer contribution is 6% of employee's base rate of pay. The total payroll for the year was \$84,452, with the employee contribution of \$9,003 and the housing authority contribution of \$4,300 for the year ended March 31, 2014.

6. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$28,706 at March 31, 2014, are as follows:

Accounts Payable Vendors/Contractors	\$ 7,063
Accounts Payable PHA Projects	3,499
Accrued Wages/Payroll Taxes Payable	15,532
Accrued Liabilities - Other	627
Accrued Compensated Absences - Current	1,850
Prepaid Rent	135
Total	<u>\$ 28,706</u>

7. CONTINGENT LIABILITIES

At March 31, 2014, the housing authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the housing authority in the current and prior years. These examinations may result in required refunds by the housing authority to federal grantors and/or program beneficiaries.

**Housing Authority of the City of Covington
Covington, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
March 31, 2014**

8. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing & Urban Development provided \$987,705 to the housing authority, which represents approximately 84% of the housing authority's revenue for the year.

9. RESTRICTED NET POSITION

Restricted net position represents funds designated to be paid to lessors and or tenants in Section 8 Program or Disaster Housing Assistance Program (DHAP).



Other Supplemental Schedules

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**Schedule of Compensation Paid to Commissioners
For The Year Ended March 31, 2014**

Commissioners	Title
Ella Mae Selmon	Chairperson
Della Perkins	Commissioner
Bonnie Andrus	Commissioner
Stephanie Bedford	Commissioner

The commissioners receive no compensation.

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**Statement and Certification of Actual Modernization Cost
Annual Contribution Contract**

	Complete CFP Project 501-12	CFP Project 501-13	Total
	<u> </u>	<u> </u>	<u> </u>
1. The Actual Modernization Costs Are As Follows:			
Funds Approved	\$ 57,073	\$ 54,837	\$ 111,910
Funds Expended	<u>(57,073)</u>	<u>(25,328)</u>	<u>(82,401)</u>
Excess of Funds Approved	<u>-0-</u>	<u>29,509</u>	<u>29,509</u>
2. Funds Advanced	57,073	25,328	82,401
Funds Expended	<u>(57,073)</u>	<u>(25,328)</u>	<u>(82,401)</u>
Excess of Funds Advanced	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The accompanying notes are an integral part of this statement.



Other Reports

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A.
davidvercher@ymail.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Housing Authority of the
City of Covington
Covington, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Covington, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Covington's basic financial statements, and have issued our report thereon dated July 24, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Covington's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Covington's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Covington's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Covington's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
July 24, 2014

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A.
davidvercher@ymail.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Housing Authority of the
City of Covington
Covington, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Covington's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Covington's major federal programs for the year ended March 31, 2014. The Housing Authority of the City of Covington's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Covington's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Covington's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority of the City of Covington's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Covington, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2014.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Covington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Covington's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Covington's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Legislator Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
July 24, 2014

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2014**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
<i>Other Programs</i>			
Department of Homeland Security Direct Programs			
Federal Disaster Assistance to Individuals and Households in Presidential Declared Disaster Areas	97.048		\$27,690
<i>Total Department of Homeland Security</i>			<hr/> \$27,690
Department of Housing and Urban Development Direct Programs			
Public Housing Capital Fund	14.872		<hr/> \$33,222
<i>Total Department of Housing and Urban Development</i>			<hr/> \$33,222
Department of Housing and Urban Development Direct Programs			
Public and Indian Housing	14.850		<hr/> \$94,106
<i>Total Department of Housing and Urban Development</i>			<hr/> \$94,106
Department of Housing and Urban Development Direct Programs			
Section 8 Housing Choice Vouchers	14.871		<hr/> \$832,687
<i>Total Department of Housing and Urban Development</i>			<hr/> \$832,687
<i>Total Other Programs</i>			<hr/> \$987,705
<i>Total Expenditures of Federal Awards</i>			<hr/> \$987,705

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2014**

Single Audit Requirements:

Note A – Single Audit Requirements

In July 1996, the Single Audit Act Amendments of 1996 (1996 Act) were enacted and superseded the Single Audit Act of 1984. In June 1997 OMB issued a revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, to implement the changes from the 1996 Act and to rescind Circular A-128. Per the 06/27/2003 revision of OMB Circular A-133, new requirements state that an entity expending \$500,000 or more of federal funds adhere to the requirements of Single Audit effective for fiscal years ending 12/31/2003 and forward.

The funds used to account for these funds use the accrual basis of accounting.

1.) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2.) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

3.) Relationship To Basic Financial Statements

Federal award revenues are reported in the Housing Authority's basic financial statements as follows:

Dept. of Homeland Security	\$ 27,690
Public & Indian Housing	94,106
Section 8	832,687
Capital Fund Grant	33,222
Total	\$ <u>987,705</u>

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with U.S. generally accepted accounting principles.

4.) Federal Awards

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority's operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended March 31, 2014**

We have audited the basic financial statements which collectively comprise the Housing Authority of the City of Covington, Louisiana, as of and for the year ended March 31, 2014, and have issued our report thereon dated July 24, 2014-*. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of March 31, 2014, resulted in an unmodified report.

Section I - Summary of Auditor's Results

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Other Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards

Internal Control

Material Weaknesses ☐ Yes ☒ No Other Conditions ☐ Yes ☒ No

Type of Opinion On Compliance ☒ Unmodified ☐ Qualified
For Major Programs ☐ Disclaimer ☐ Adverse

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☒ No

c. Identification Of Major Programs:

CFDA Number(s)

Name Of Federal Program (or Cluster)

14.871

Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

☒ Yes ☐ No

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended March 31, 2014**

Section II - Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Cost

None

**HOUSING AUTHORITY OF THE CITY OF COVINGTON
COVINGTON, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Housing Authority of the City of Covington, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended March 31, 2013.

PRIOR YEAR FINDINGS

None

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A.
davidvercher@ymail.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Housing Authority's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

There are no current year comments.

FINANCIAL DATA SCHEDULE

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
111 Cash - Unrestricted	\$34,595	\$56,444	\$196,935		\$287,974
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$7,682			\$7,682
114 Cash - Tenant Security Deposits	\$12,909		\$7,572		\$20,481
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$47,504	\$64,126	\$204,507	\$0	\$316,137
121 Accounts Receivable - PHA Projects		\$1,126			\$1,126
122 Accounts Receivable - HUD Other Projects	\$4,497				\$4,497
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	\$1,062				\$1,062
126 Accounts Receivable - Tenants	\$589		\$6,115		\$6,704
126.1 Allowance for Doubtful Accounts -Tenants	\$0		\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0			\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery		\$883			\$883
128.1 Allowance for Doubtful Accounts - Fraud		-\$883			-\$883
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$6,148	\$1,126	\$6,115	\$0	\$13,389
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$3,065	\$4,377	\$8,497		\$15,939
143 Inventories	\$1,091				\$1,091

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
143.1 Allowance for Obsolete Inventories	\$0				\$0
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$57,808	\$69,629	\$219,119	\$0	\$346,556
161 Land	\$199,804	\$2,500	\$753,490		\$955,794
162 Buildings	\$2,897,567		\$7,238,005		\$10,135,572
163 Furniture, Equipment & Machinery - Dwellings	\$102,572		\$211,747		\$314,319
164 Furniture, Equipment & Machinery - Administration	\$226,418	\$11,396			\$237,814
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$2,141,153	-\$8,978	-\$822,398		-\$2,972,529
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,285,208	\$4,918	\$7,380,844	\$0	\$8,670,970
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets			\$89,103		\$89,103
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$1,285,208	\$4,918	\$7,469,947	\$0	\$8,760,073
190 Total Assets	\$1,343,016	\$74,547	\$7,689,066	\$0	\$9,106,629
200 Deferred Outflow of Resources					

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14,871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
290 Total Assets and Deferred Outflow of Resources	\$1,343,016	\$74,547	\$7,689,066	\$0	\$9,106,629
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$6,192	\$871	\$2,850		\$9,913
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$11,594	\$3,938			\$15,532
322 Accrued Compensated Absences - Current Portion	\$740	\$1,110			\$1,850
324 Accrued Contingency Liability					
325 Accrued Interest Payable			\$4,770		\$4,770
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects		\$3,499			\$3,499
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	\$12,909		\$7,572		\$20,481
342 Unearned Revenue	\$135		\$1,461		\$1,596
343 Current Portion of Long-term Debt - Capital			\$14,979		\$14,979
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other	\$627				\$627
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$32,197	\$9,418	\$31,632	\$0	\$73,247
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			\$1,190,413		\$1,190,413
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$2,020,074		\$2,020,074
354 Accrued Compensated Absences - Non Current	\$10,581	\$15,872			\$26,453

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$10,581	\$15,872	\$3,210,487	\$0	\$3,236,940
300 Total Liabilities	\$42,778	\$25,290	\$3,242,119	\$0	\$3,310,187
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$1,285,208	\$4,918	\$6,175,452		\$7,465,578
511.4 Restricted Net Position		\$7,682			\$7,682
512.4 Unrestricted Net Position	\$15,030	\$36,657	-\$1,728,505	\$0	-\$1,676,818
513 Total Equity - Net Assets / Position	\$1,300,238	\$49,257	\$4,446,947	\$0	\$5,796,442
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets /	\$1,343,016	\$74,547	\$7,689,066	\$0	\$9,106,629

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
111 Cash - Unrestricted		\$287,974
112 Cash - Restricted - Modernization and Development		
113 Cash - Other Restricted		\$7,682
114 Cash - Tenant Security Deposits		\$20,481
115 Cash - Restricted for Payment of Current Liabilities		
100 Total Cash		\$316,137
121 Accounts Receivable - PHA Projects		\$1,126
122 Accounts Receivable - HUD Other Projects		\$4,497
124 Accounts Receivable - Other Government		
125 Accounts Receivable - Miscellaneous		\$1,062
126 Accounts Receivable - Tenants		\$6,704
126.1 Allowance for Doubtful Accounts - Tenants		\$0
126.2 Allowance for Doubtful Accounts - Other		\$0
127 Notes, Loans, & Mortgages Receivable - Current		
128 Fraud Recovery		\$883
128.1 Allowance for Doubtful Accounts - Fraud		-\$883
129 Accrued Interest Receivable		
120 Total Receivables, Net of Allowances for Doubtful Accounts		\$13,389
131 Investments - Unrestricted		
132 Investments - Restricted		
135 Investments - Restricted for Payment of Current Liability		
142 Prepaid Expenses and Other Assets		\$15,939
143 Inventories		\$1,091
143.1 Allowance for Obsolete Inventories		\$0

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
144 Inter Program Due From		
145 Assets Held for Sale		
150 Total Current Assets		\$346,556
161 Land		\$955,794
162 Buildings		\$10,135,572
163 Furniture, Equipment & Machinery - Dwellings		\$314,319
164 Furniture, Equipment & Machinery - Administration		\$237,814
165 Leasehold Improvements		
166 Accumulated Depreciation		-\$2,972,529
167 Construction in Progress		
168 Infrastructure		
160 Total Capital Assets, Net of Accumulated Depreciation		\$8,670,970
171 Notes, Loans and Mortgages Receivable - Non-Current		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		
173 Grants Receivable - Non Current		
174 Other Assets		\$89,103
176 Investments in Joint Ventures		
180 Total Non-Current Assets		\$8,760,073
190 Total Assets		\$9,106,629
200 Deferred Outflow of Resources		
290 Total Assets and Deferred Outflow of Resources		\$9,106,629

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
311 Bank Overdraft		
312 Accounts Payable <= 90 Days		\$9,913
313 Accounts Payable >90 Days Past Due		
321 Accrued Wage/Payroll Taxes Payable		\$15,532
322 Accrued Compensated Absences - Current Portion		\$1,850
324 Accrued Contingency Liability		
325 Accrued Interest Payable		\$4,770
331 Accounts Payable - HUD PHA Programs		
332 Account Payable - PHA Projects		\$3,499
333 Accounts Payable - Other Government		
341 Tenant Security Deposits		\$20,481
342 Unearned Revenue		\$1,596
343 Current Portion of Long-term Debt - Capital		\$14,979
344 Current Portion of Long-term Debt - Operating Borrowings		
345 Other Current Liabilities		
346 Accrued Liabilities - Other		\$627
347 Inter Program - Due To		
348 Loan Liability - Current		
310 Total Current Liabilities		\$73,247
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$1,190,413
352 Long-term Debt, Net of Current - Operating Borrowings		
353 Non-current Liabilities - Other		\$2,020,074
354 Accrued Compensated Absences - Non Current		\$26,453
355 Loan Liability - Non Current		

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
356 FASB 5 Liabilities		
357 Accrued Pension and OPEB Liabilities		
350 Total Non-Current Liabilities		\$3,236,940
300 Total Liabilities		\$3,310,187
400 Deferred Inflow of Resources		
508.4 Net Investment in Capital Assets		\$7,465,578
511.4 Restricted Net Position		\$7,682
512.4 Unrestricted Net Position		-\$1,676,818
513 Total Equity - Net Assets / Position		\$5,796,442
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets /		\$9,106,629

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
70300 Net Tenant Rental Revenue	\$122,609		\$252,411		\$375,020
70400 Tenant Revenue - Other	\$3,561		\$12,972		\$16,533
70500 Total Tenant Revenue	\$126,170	\$0	\$265,383	\$0	\$391,553
70600 HUD PHA Operating Grants	\$127,328	\$832,687		\$27,690	\$987,705
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					\$0
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$14	\$85	\$240		\$339
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		\$200			\$200
71500 Other Revenue	\$166	\$65,017			\$65,183
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$253,678	\$897,989	\$265,623	\$27,690	\$1,444,980
91100 Administrative Salaries	\$15,469	\$46,341	\$29,834		\$91,644

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
91200 Auditing Fees	\$3,908	\$9,567	\$7,000		\$20,475
91300 Management Fee			\$38,896		\$38,896
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$20				\$20
91500 Employee Benefit contributions - Administrative	\$9,686	\$15,760	\$7,916		\$33,362
91600 Office Expenses	\$21,065	\$18,747	\$4,443		\$44,255
91700 Legal Expense	\$50		\$1,989		\$2,039
91800 Travel	\$9,788	\$738			\$10,526
91810 Allocated Overhead					
91900 Other	\$15,238	\$15,252	\$2,203		\$32,693
91000 Total Operating - Administrative	\$75,224	\$106,405	\$92,281	\$0	\$273,910
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$2,408				\$2,408
92500 Total Tenant Services	\$2,408	\$0	\$0	\$0	\$2,408
93100 Water	\$677		\$1,000		\$1,677
93200 Electricity	\$6,474		\$4,794		\$11,268
93300 Gas	\$1,106				\$1,106
93400 Fuel					
93500 Labor					
93600 Sewer			\$464		\$464
93700 Employee Benefit Contributions - Utilities					

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
93800 Other Utilities Expense					
93000 Total Utilities	\$8,257	\$0	\$6,258	\$0	\$14,515
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and	\$29,267		\$5,762		\$35,029
94300 Ordinary Maintenance and Operations Contracts	\$65,722		\$53,951		\$119,673
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$94,989	\$0	\$59,713	\$0	\$154,702
95100 Protective Services - Labor	\$15,000				\$15,000
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services	\$1,147				\$1,147
95000 Total Protective Services	\$16,147	\$0	\$0	\$0	\$16,147
96110 Property Insurance	\$20,209		\$33,653		\$53,862
96120 Liability Insurance	\$3,719				\$3,719
96130 Workmen's Compensation	\$3,337	\$2,182	\$1,442		\$6,961
96140 All Other Insurance	\$5,515	\$1,098			\$6,613
96100 Total insurance Premiums	\$32,780	\$3,280	\$35,095	\$0	\$71,155
96200 Other General Expenses		\$583	\$4,139		\$4,722
96210 Compensated Absences	\$4,400	\$6,600			\$11,000
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents			\$5,146		\$5,146
96500 Bad debt - Mortgages					

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$4,400	\$7,183	\$9,285	\$0	\$20,868
96710 Interest of Mortgage (or Bonds) Payable			\$120,966		\$120,966
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$120,966	\$0	\$120,966
96900 Total Operating Expenses	\$234,205	\$116,868	\$323,598	\$0	\$674,671
97000 Excess of Operating Revenue over Operating Expenses	\$19,473	\$781,121	-\$57,975	\$27,690	\$770,309
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$775,681			\$775,681
97350 HAP Portability-In		\$61,851			\$61,851
97400 Depreciation Expense	\$123,465	\$887	\$206,586		\$330,938
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$357,670	\$955,287	\$530,184	\$0	\$1,843,141
10010 Operating Transfer In	\$8,331				\$8,331
10020 Operating transfer Out	-\$8,331				-\$8,331

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$103,992	-\$57,298	-\$264,561	\$27,690	-\$398,161
11020 Required Annual Debt Principal Payments	\$0	\$0	\$13,953	\$0	\$13,953
11030 Beginning Equity	\$1,404,230	\$78,865	\$0	\$0	\$1,483,095
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$27,690	\$4,711,508	-\$27,690	\$4,711,508
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		\$41,575			\$41,575
11180 Housing Assistance Payments Equity		\$7,682			\$7,682

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	14.IKE DHAP-IKE	Subtotal
11190 Unit Months Available	572	1266	432		2270
11210 Number of Unit Months Leased	572	1254	408		2234
11270 Excess Cash	\$4,013				\$4,013
11610 Land Purchases	\$0				\$0
11620 Building Purchases	\$0				\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0
11640 Furniture & Equipment - Administrative Purchases	\$0				\$0
11650 Leasehold Improvements Purchases	\$0				\$0
11660 Infrastructure Purchases	\$0				\$0
13510 CFFP Debt Service Payments	\$0				\$0
13901 Replacement Housing Factor Funds	\$0				\$0

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
70300 Net Tenant Rental Revenue		\$375,020
70400 Tenant Revenue - Other		\$16,533
70500 Total Tenant Revenue	\$0	\$391,553
70600 HUD PHA Operating Grants		\$987,705
70610 Capital Grants		
70710 Management Fee		
70720 Asset Management Fee		
70730 Book Keeping Fee		
70740 Front Line Service Fee		
70750 Other Fees		
70700 Total Fee Revenue	\$0	\$0
70800 Other Government Grants		
71100 Investment Income - Unrestricted		\$339
71200 Mortgage Interest Income		
71300 Proceeds from Disposition of Assets Held for Sale		
71310 Cost of Sale of Assets		
71400 Fraud Recovery		\$200
71500 Other Revenue		\$65,183
71600 Gain or Loss on Sale of Capital Assets		
72000 Investment Income - Restricted		
70000 Total Revenue	\$0	\$1,444,980
91100 Administrative Salaries		\$91,644
91200 Auditing Fees		\$20,475

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
91300 Management Fee		\$38,896
91310 Book-keeping Fee		
91400 Advertising and Marketing		\$20
91500 Employee Benefit contributions - Administrative		\$33,362
91600 Office Expenses		\$44,255
91700 Legal Expense		\$2,039
91800 Travel		\$10,526
91810 Allocated Overhead		
91900 Other		\$32,693
91000 Total Operating - Administrative	\$0	\$273,910
92000 Asset Management Fee		
92100 Tenant Services - Salaries		
92200 Relocation Costs		
92300 Employee Benefit Contributions - Tenant Services		
92400 Tenant Services - Other		\$2,408
92500 Total Tenant Services	\$0	\$2,408
93100 Water		\$1,677
93200 Electricity		\$11,268
93300 Gas		\$1,106
93400 Fuel		
93500 Labor		
93600 Sewer		\$464
93700 Employee Benefit Contributions - Utilities		
93800 Other Utilities Expense		

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
93000 Total Utilities	\$0	\$14,515
94100 Ordinary Maintenance and Operations - Labor		
94200 Ordinary Maintenance and Operations - Materials and		\$35,029
94300 Ordinary Maintenance and Operations Contracts		\$119,673
94500 Employee Benefit Contributions - Ordinary Maintenance		
94000 Total Maintenance	\$0	\$154,702
95100 Protective Services - Labor		\$15,000
95200 Protective Services - Other Contract Costs		
95300 Protective Services - Other		
95500 Employee Benefit Contributions - Protective Services		\$1,147
95000 Total Protective Services	\$0	\$16,147
96110 Property Insurance		\$53,862
96120 Liability Insurance		\$3,719
96130 Workmen's Compensation		\$6,961
96140 All Other Insurance		\$6,613
96100 Total insurance Premiums	\$0	\$71,155
96200 Other General Expenses		\$4,722
96210 Compensated Absences		\$11,000
96300 Payments in Lieu of Taxes		
96400 Bad debt - Tenant Rents		\$5,146
96500 Bad debt - Mortgages		
96600 Bad debt - Other		

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
96800 Severance Expense		
96000 Total Other General Expenses	\$0	\$20,868
96710 Interest of Mortgage (or Bonds) Payable		\$120,966
96720 Interest on Notes Payable (Short and Long Term)		
96730 Amortization of Bond Issue Costs		
96700 Total Interest Expense and Amortization Cost	\$0	\$120,966
96900 Total Operating Expenses	\$0	\$674,671
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$770,309
97100 Extraordinary Maintenance		
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments		\$775,681
97350 HAP Portability-In		\$61,851
97400 Depreciation Expense		\$330,938
97500 Fraud Losses		
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		
90000 Total Expenses	\$0	\$1,843,141
10010 Operating Transfer In	-\$8,331	\$0
10020 Operating transfer Out	\$8,331	\$0
10030 Operating Transfers from/to Primary Government		

Housing Authority of City of Covington (LA238)

COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
10040 Operating Transfers from/to Component Unit		
10050 Proceeds from Notes, Loans and Bonds		
10060 Proceeds from Property Sales		
10070 Extraordinary Items, Net Gain/Loss		
10080 Special Items (Net Gain/Loss)		
10091 Inter Project Excess Cash Transfer In		
10092 Inter Project Excess Cash Transfer Out		
10093 Transfers between Program and Project - In		
10094 Transfers between Project and Program - Out		
10100 Total Other financing Sources (Uses)	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	-\$398,161
11020 Required Annual Debt Principal Payments		\$13,953
11030 Beginning Equity		\$1,483,095
11040 Prior Period Adjustments, Equity Transfers and Correction		\$4,711,508
11050 Changes in Compensated Absence Balance		
11060 Changes in Contingent Liability Balance		
11070 Changes in Unrecognized Pension Transition Liability		
11080 Changes in Special Term/Severance Benefits Liability		
11090 Changes in Allowance for Doubtful Accounts - Dwelling		
11100 Changes in Allowance for Doubtful Accounts - Other		
11170 Administrative Fee Equity		\$41,575
11180 Housing Assistance Payments Equity		\$7,682
11190 Unit Months Available		2270

Housing Authority of City of Covington (LA238)
COVINGTON, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
11210 Number of Unit Months Leased		2234
11270 Excess Cash		\$4,013
11610 Land Purchases		\$0
11620 Building Purchases		\$0
11630 Furniture & Equipment - Dwelling Purchases		\$0
11640 Furniture & Equipment - Administrative Purchases		\$0
11650 Leasehold Improvements Purchases		\$0
11660 Infrastructure Purchases		\$0
13510 CFFP Debt Service Payments		\$0
13901 Replacement Housing Factor Funds		\$0